



M E M O R A N D U M
DEPARTMENT OF PUBLIC WORKS
ENVIRONMENTAL ENGINEERING DIVISION
County of Placer

TO: Board of Supervisors DATE: June 8, 2021

FROM: Ken Grehm, Director of Public Works
By: Robin Mahoney, P.E., Senior Civil Engineer

SUBJECT: Public Hearing / Reorganization / Zone of Benefit 6 - Sheridan Sewer in County Service Area 28 / Dissolution and Annexation to Sewer Maintenance District 1

ACTION REQUESTED

Conduct a public hearing to receive comments and consider protests, and if protests to the annexation have not been received from more than 50 percent of the total number of property owners residing within the proposed zone, do the following:

1. Adopt a Resolution dissolving Zone of Benefit 6 - Sheridan Sewer in County Service Area 28, consisting of 278 parcels.
2. Adopt a Resolution to annex all parcels formerly located within the boundaries of Zone of Benefit 6 - Sheridan Sewer in County Service Area 28, a total of 278 parcels, consisting of 834 acres, into the boundaries of Sewer Maintenance District 1.
3. Adopt an Ordinance amending Section 13.12.350 (A) and (E) of the Placer County Code to separate the existing sewer service fees for Sewer Maintenance District 1 into a base rate for operation and maintenance and a debt service fee for the existing debt service for regional infrastructure and remove reference to sewer related fees for Zone of Benefit 6 – Sheridan Sewer.

BACKGROUND

The community of Sheridan has been in existence since approximately 1911. It was at the time a township divided into city blocks made up of 25-foot wide lots. The original homes in the community were built on groups of lots that had individual wells and septic systems mostly using seepage pits. By the 1960s, the majority of structures in Sheridan had wells that were contaminated by the seepage pits. On March 30, 1965, this Board approved Resolution 65-109 creating County Service Area (CSA) 28, Zone of Benefit 6 – Sheridan Sewer (ZOB 6-Sewer) to provide sewer service to parcels in the zone. ZOB 6-Sewer includes a total of 278 parcels, 189 of which are currently connected to the sewer system. ZOB 6-Sewer consists of approximately 834 acres.

As part of an overall plan to consolidate sewer districts, staff is recommending the ZOB 6-Sewer be dissolved and the territory annexed into Sewer Maintenance District 1 (SMD 1), which currently consists of approximately 8,300 equivalent dwelling units (EDUs). The actions requested above will allow for long-term stabilization of sewer rates by spreading the costs and risks over a larger group of customers, thereby reducing administrative redundancy. These actions will not increase or decrease the number of connections available for ZOB 6-Sewer. Legal descriptions and plot maps of both the existing ZOB 6-Sewer and the proposed area to be annexed are provided as attachments to the Resolutions. A vicinity map is also attached for your convenience.

The dissolution of ZOB 6-Sewer is governed by California Government Code Section 25217. Pursuant to this Section, on May 18, 2021, a letter was sent to each property owner located within the Sheridan CSA boundaries which explained the need for the reorganization and provided instructions regarding the process to submit an official protest letter. A copy of the letter is attached for reference. The Clerk of the Board has been the designated recipient of any protest letters and will provide a report detailing the number of valid protests submitted by the property owners.

To dissolve ZOB 6-Sewer, your Board must hold a public hearing and, if a majority protest does not exist, adopt a Resolution dissolving the Sheridan CSA. On May 11, 2021, in accordance with California Government Code Sections 25217, 25217.1, and 25217.2, your Board adopted Resolution of Intention 2021-086 establishing the time and date for a public hearing. The public hearing for the proposed dissolution was advertised on May 21 and May 28, 2021 in the Sacramento Bee and posted in three locations as required by Government Code Section 25217.

To annex the parcels contained in ZOB 6-Sewer into the boundaries of SMD 1, your Board must hold a second public hearing and adopt a Resolution approving the annexation. On May 11, 2021, in accordance with California Health and Safety Code Sections 4896 and 4897, your Board adopted Resolution of Intention 2021-087 establishing the time and date for a public hearing. The public hearing for the proposed annexation was advertised on May 21 and May 28, 2021 in the Sacramento Bee and posted in three locations pursuant to Health and Safety Code Sections 4898 and 4899.

Based upon analysis by staff, these actions are projected to decrease the expenses associated with administrative redundancy.

The current sewer service fee in SMD 1 is \$95.78 per month per EDU. It is proposed to divide this amount into a base sewer service fee of \$62.74 per month per EDU for treatment and collection and an existing debt service fee of \$33.04/Mo/EDU. The existing debt service fee is associated with regional infrastructure from SMD 1 to the Lincoln Wastewater Treatment and Reclamation Facility. Only rate payers who utilize the regional infrastructure will incur the debt service fee. The combined base rate and debt service rate will equal the current SMD 1 sewer service fee such that there will be no increase in the SMD 1 sewer fees. The Public Hearing for the modification of the SMD 1 sewer service charge was advertised on May 21 and May 28, 2021 in the Sacramento Bee.

ENVIRONMENTAL IMPACT

Consolidation of two or more districts having identical powers is categorically exempt from environmental review pursuant to Section 15320(b) "Changes in Organization of Local Agencies" of the California Environmental Quality Act Guidelines.

FISCAL IMPACT

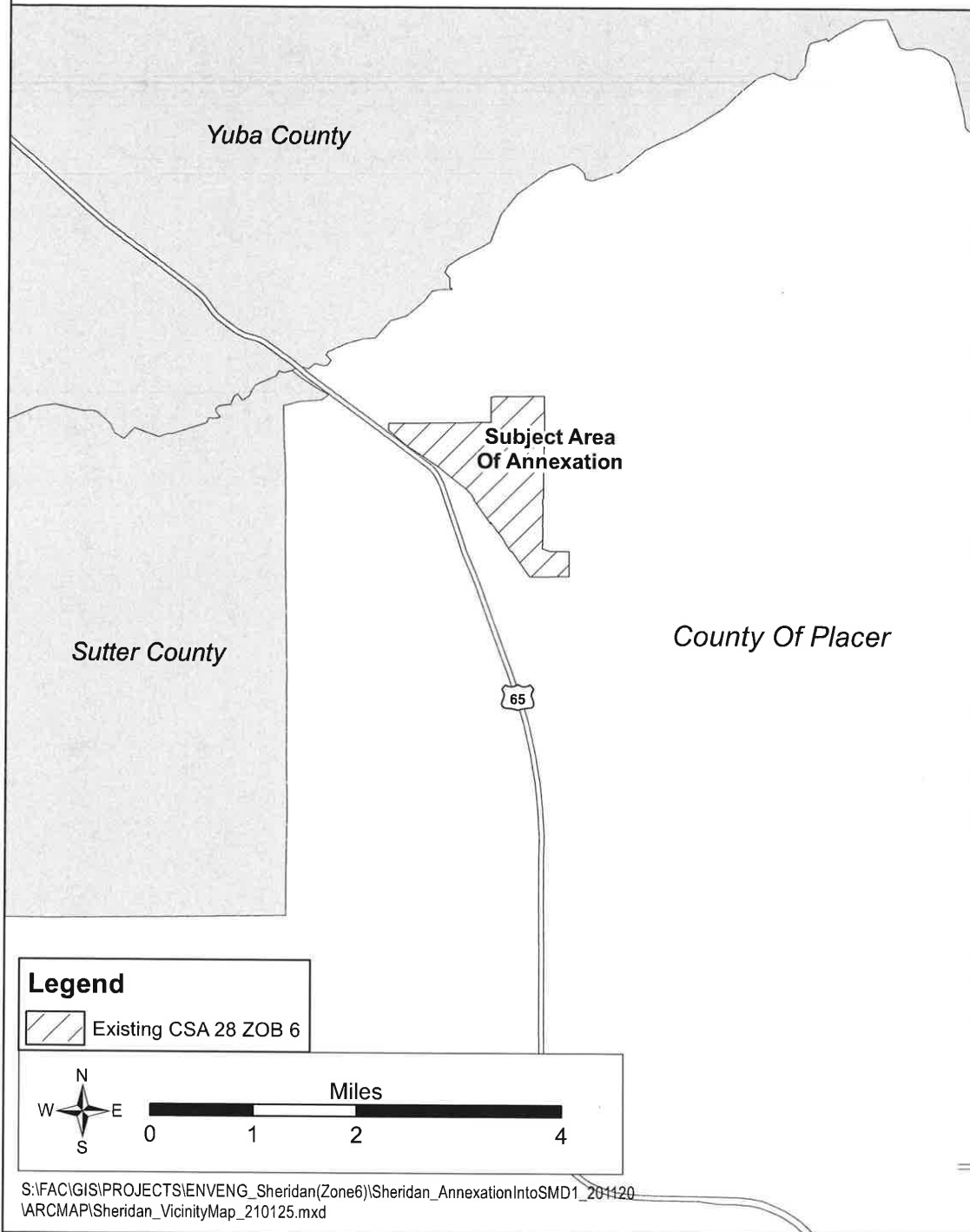
There is no fiscal impact to the County General Fund by the dissolution of ZOB 6-Sewer and annexation of those properties into SMD 1. The Sewer Ordinance specifies that the owners of property annexed into a sewer maintenance district must pay an annexation fee, which is defined as "a fee paid at the time property is annexed to a district for the privilege of utilizing the existing public sewer facilities that have been previously constructed, installed, and paid for by other property owners within the district." In the current instance, ZOB 6-Sewer will not utilize the SMD 1 collection system and will contribute approximately \$5 million in sewer infrastructure which will accrue to SMD 1, as well as the contribution of the reserves. In consideration of the valuation of said assets, and negligible use of SMD 1 sewer facilities, staff recommends acceptance in lieu of the annexation fee.

Adoption of the Ordinance is estimated to have no fiscal impact since the decrease in revenue from the 211 EDUs in the Sheridan area is estimated to be offset by the decrease of expenses associated with reduced administrative redundancy.

ATTACHMENTS

Vicinity Map
Sample Letter
Resolutions
Ordinance

VICINITY MAP - Annexation of the Sewer Services for CSA No. 28 ZOB 6
Into Sewer Maintenance District No. 1



SAMPLE LETTER

May 18, 2021

RE: Notice of Public Hearing to Consider Reorganization of County Service Area 28,
Zone of Benefit 6 Sheridan Sewer and Sewer Maintenance District 1
Proposed Reduction in Sewer Rates

Our records indicate that you are the owner of the property identified by the Assessor's Parcel Number shown above. This parcel is located within the boundaries of County Service Area 28, Zone of Benefit 6 (Sheridan Sewer CSA). On June 8, 2021 at 9:00 am or as soon thereafter as the matter may be heard, the Placer County Board of Supervisors (Board) will hold two public hearings to consider the Dissolution of the Sheridan Sewer CSA and the subsequent annexation of the Sheridan Sewer CSA into Sewer Maintenance District 1 – North Auburn (SMD 1). The hearings will take place in the County Administrative Center, Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn CA 95603. You may attend the hearings in person or send written comments to the Board at the same address.

The community of Sheridan has been in existence since approximately 1911. It was at the time a township divided into city blocks made up of 25-foot wide lots. The original homes in the community were built on groups of lots that had individual wells and septic systems mostly using seepage pits. By the 1960s, the majority of structures in Sheridan had wells that were contaminated by the seepage pits. On March 30, 1965, the Placer County Board of Supervisors approved Resolution 65-109 creating County Service Area 28, Zone of Benefit 6 – Sheridan Sewer to provide sewer service to parcels in the zone. Sheridan Sewer CSA includes a total of 278 parcels, 189 of which are currently connected to the sewer system. Sheridan Sewer CSA consists of approximately 834 acres.

As part of an overall plan to consolidate sewer districts, staff is recommending the Sheridan Sewer CSA be dissolved and the territory annexed into SMD 1, which currently consists of approximately 8,300 connections, also known as equivalent dwelling units (EDUs). These actions will allow for long-term stabilization of sewer rates as the costs and risks are spread over a larger group of customers, thereby reducing administrative redundancy. This action will not increase or decrease the number of connections available for Sheridan Sewer CSA.

The current sewer service fee in Sheridan Sewer CSA is \$98.25 per month per EDU. As part of the proposed dissolution and subsequent annexation into SMD 1, County staff will ask the Board to lower the monthly Sheridan Sewer CSA sewer service fee to \$62.74 per month per EDU in order to mirror the proposed SMD 1 base sewer service fee.

You may object to the proposed dissolution of the Sheridan Sewer CSA by filing a written protest with the Clerk of the Board of Supervisors. Written protests can be mailed, presented at the Public Hearing, or personally delivered to: Clerk of the Board of Supervisors, County of Placer, 175 Fulweiler Avenue, Auburn CA 95603.

A valid protest must contain:

- A description of the property (such as an address and/or assessor's parcel number) that is sufficient to identify the property.
- Name and signature of the parcel owner (or an authorized representative).
- Written evidence that the signer is the owner of the property, if the signer is different than the person to whom this notice is addressed.

- A statement that you are protesting the proposed dissolution of the Sheridan Sewer CSA. You do not need to give a reason for your opposition; opposition alone is sufficient.

Please note that all written protests must be received by the end of the public hearing for the dissolution of the Sheridan Sewer CSA. If you choose to submit your protest by regular mail, please allow sufficient time for delivery.

If a majority of affected property owners file written protests, the proposed dissolution of the Sheridan Sewer CSA will not take effect. State law provides that only the written protests from property owners may be considered to determine if a majority protest exists. Only one protest per property may be submitted.

If you have any questions or would like to discuss any concerns, please contact Robin Mahoney of my staff at (530) 886-4929.

Respectfully,

Kevin Bell, P.E.
Deputy Director

Before the Board of Supervisors County of Placer, State of California

In the matter of: A Resolution of Dissolution of
Zone of Benefit 6 - Sheridan Sewer in County
Service Area 28

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer
at a regular meeting held on June 8, 2021, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, Zone of Benefit 6 - Sheridan Sewer in County Service Area 28 (Sheridan Sewer CSA) was established by Resolution No. 65-109 to provide sewer services for 278 parcels located generally east of the intersection of Old Highway 65 and Riosa Road, as specifically described in Exhibit "A" attached hereto and incorporated herein, and as shown and depicted in Exhibit "B" attached hereto and incorporated herein. Such lands contain approximately 834 acres; and

WHEREAS, the County has requested the dissolution of the Sheridan Sewer CSA for the purpose of being annexed into the boundaries of Sewer Maintenance District 1 (SMD 1) to consolidate sewer districts thereby allowing for long term stabilization of sewer rates and reduction of administrative redundancy; and,

WHEREAS, on May 11, 2021, in accordance with California Government Code Sections 25217, 25217.1 and 25217.2, your Board adopted Resolution of Intention 2021-086 establishing the time and date to conduct a public hearing regarding dissolution of the Sheridan Sewer CSA; and

WHEREAS, the public hearing for the proposed dissolution was advertised in the Sacramento Bee and posted in three locations as required by Government Code Section 25217; and,

WHEREAS, on May 19, 2021, in accordance with California Government Code Section 25217, a letter was sent to each property owner located within the Sheridan Sewer CSA boundaries which explained the need for the reorganization and provided instructions regarding the process to submit an official protest letter; and

WHEREAS, the Clerk of the Board has been the designated recipient of any protest letters and verified that a majority protest did not exist against the dissolution of the Sheridan Sewer CSA.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer, State of California, as follows:

1. The Board of Supervisors does hereby find that public convenience and necessity no longer require that the Zone of Benefit 6 - Sheridan Sewer in County Service Area 28 provide sewer services and approves its dissolution and orders the cessation of all related services and charges to all Assessor's Parcel Numbers currently located within the Sheridan Sewer CSA; and,
2. Transfer all assets, including, but not limited to, cash reserves, buildings, and other real property, rolling stock, tools, fixtures, equipment, all lands, buildings, real property, and appurtenances held by Sheridan Sewer CSA to SMD 1.

BE IT FURTHER RESOLVED that this Resolution shall be effective immediately.

Exhibit A

Exhibit B

EXHIBIT A

EXHIBIT A

Dissolution of the Sewer Services for CSA No. 28 ZOB 6.

All of the existing Placer County Service Area No. 28 Zone of Benefit 6, more particularly described as follows:

The land referred to herein below is situated in an unincorporated area, County of Placer, State of California and is described as follows:

A portion of Sections 11, 12, 13, and 14, T. 13 N., R. 5 E., M.D.B. & M., described as follows:

Beginning at the northwest corner of said Section 12; thence along the existing CSA No. 6 boundary the following eleven (11) courses:

1. Along the north line of said Section 12, East, 2644 feet, more or less to the north quarter corner of said Section 12; thence
2. Along the north-south centerlines of said Section 12 and said Section 13, South 7792 feet, more or less, to a point on the north line of the Morrison property recorded in Volume 1000 Official Records Page 373; thence
3. Along said north line South 89°56' East 25.8 feet to County Road south line (Ranch House Road B8019); thence
4. Along said Morrison Property, along County Road south line South 69°10' East 383.5 feet more or less to the north line of the Southeast Quarter of said Section 13; thence;
5. Along the north line of the Southeast Quarter of said Section 13, East, 937 feet, more or less, to the Northeast corner of the Northwest quarter of the Southeast quarter of said Section 13; thence
6. Along the east line of the Northwest quarter of the Southeast quarter of said Section 13, South, 1320 feet, more or less, to the Southeast corner of the Northwest quarter of the Southeast quarter of said Section 13; thence
7. Along the south line of the north half of the south half of said Section 13, West, 2100 feet, more or less to the east right-of-way line of the Southern Pacific Railroad Company; thence
8. Northerly along said easterly railroad right-of-way line, 10,631 feet, more or less, to the west line of said Section 11; thence
9. Along said west line of Section 11, North, 350 feet, more or less, to the Southwest corner of the north half of the north half of said Section 11; thence
10. Along the south line of the north half of the north half of said Section 11, East, 5280 feet, more or less, to the east line of said Section 11; thence

11. Along said east line of Section 11, North 1320 feet, more or less, to the Point of Beginning.

Containing 834 acres, more or less.

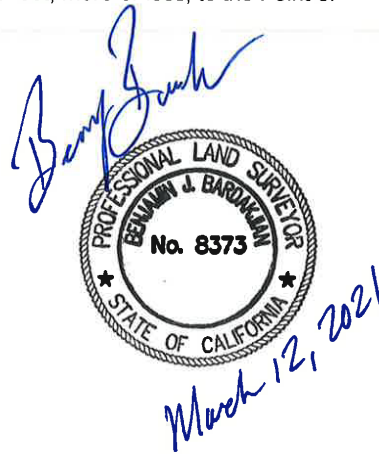
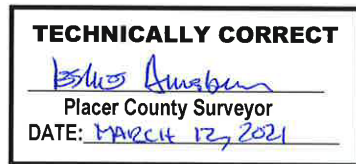
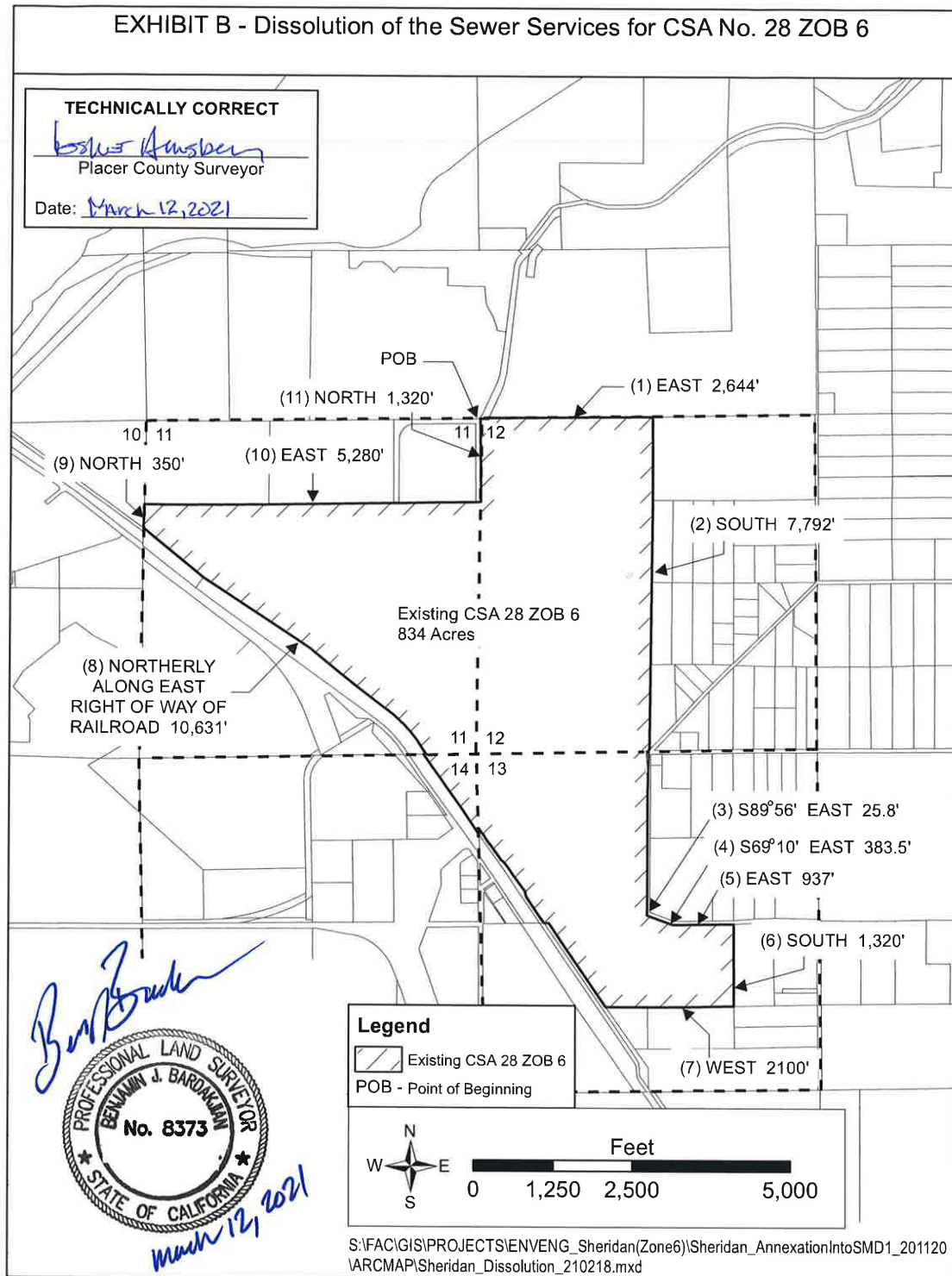


EXHIBIT B



Before the Board of Supervisors County of Placer, State of California

In the matter of: A Resolution annexing the 278
parcels previously located within the boundaries of
County Service Area 28, Zone of Benefit 6 - Sheridan
Sewer into Sewer Maintenance District 1

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer
at a regular meeting held on June 8, 2021, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, by the previous action, the Board of Supervisors approved the dissolution of Zone of Benefit 6 - Sheridan Sewer in County Service Area 28 (Sheridan Sewer CSA) in accordance with California Government Code Section 25217, 25217.1 and 25217.2; and,

WHEREAS, the Board of Supervisors hereby determines that the annexation of the parcels formerly known as the Sheridan Sewer CSA (collectively, the Annexation Lands) into Sewer Maintenance District 1 (SMD 1) will be benefitted by the administrative action to consolidate sewer districts; and

WHEREAS, the Annexation Lands consist of the 278 parcels within the former boundaries of the Sheridan Sewer CSA which are generally located east of the intersection of Old Highway 65

and Riosa Road, as specifically described in Exhibits "A" and "B" attached hereto and incorporated herein. Such lands contain 834 acres.

WHEREAS, on May 11, 2021, in accordance with California Health and Safety Code Sections 4896 and 4897, your Board adopted Resolution of Intention 2021-087 establishing the time and date to conduct a public hearing regarding annexing the Annexation Lands into SMD 1; and

WHEREAS, the public hearing for the proposed annexation was advertised in the Sacramento Bee and posted in three locations pursuant to Health and Safety Code Sections 4898 and 4899; and,

WHEREAS, the Board finds significant value in the assets transferring from the Annexation Lands to SMD 1, including approximate cost of the existing infrastructure in the Annexation Lands and the reserve contribution.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Placer, State of California, as follows:

1. The boundaries of SMD 1 shall be altered to include the territory of the Annexation Lands and the Board accepts the value of the assets transferred from the Sheridan Sewer CSA, as well as in consideration of the negligible use of SMD 1 sewer facilities, in lieu of the annexation fee delineated in Section 13.12.360 of the County Code; and,
2. That SMD 1 shall accept all system facilities transferred from the Annexation Lands in "as is" condition; and,
3. All material and incidental liabilities, including, but not limited to, accounts payables and contract obligations held by the Annexation Lands shall be transferred to SMD 1; and,
4. SMD 1 shall receive all assets including, but not limited to, cash reserves, buildings and other real property, rolling stock, tools, fixtures, equipment, all lands, buildings, real property, and appurtenances held by the Annexation Land; and,
5. Until duly revised by the Board of Supervisors, and unless otherwise expressly provided herein or legally required, all ordinances, resolutions, rules and regulations, policies, procedures and practices existing for the Annexation Lands shall continue in full effect, pending the Board of Supervisors expeditious review and revisions of the ordinances, resolutions, rules and regulations, policies, procedures and practices, as they shall deem appropriate; and
6. Any funds currently deposited for the benefit of the Annexation Lands which have been impressed with a public trust, use, or purpose shall be transferred to SMD 1.

BE IT FURTHER RESOLVED that this Resolution shall be effective immediately.

Exhibit A
Exhibit B

EXHIBIT A

EXHIBIT A

Annexation of the Sewer Services for CSA No. 28 ZOB 6 into Sewer Maintenance District No.1.

All of the existing Placer County Service Area No. 28 Zone of Benefit 6, more particularly described as follows:

The land referred to herein below is situated in an unincorporated area, County of Placer, State of California and is described as follows:

A portion of Sections 11, 12, 13, and 14, T. 13 N., R. 5 E., M.D.B. & M., described as follows:

Beginning at the northwest corner of said Section 12; thence along the existing CSA No. 6 boundary the following eleven (11) courses:

1. Along the north line of said Section 12, East, 2644 feet, more or less to the north quarter corner of said Section 12; thence
2. Along the north-south centerlines of said Section 12 and said Section 13, South 7792 feet, more or less, to a point on the north line of the Morrison property recorded in Volume 1000 Official Records Page 373; thence
3. Along said north line South 89°56' East 25.8 feet to County Road south line (Ranch House Road B8019); thence
4. Along said Morrison Property, along County Road south line South 69°10' East 383.5 feet more or less to the north line of the Southeast Quarter of said Section 13; thence;
5. Along the north line of the Southeast Quarter of said Section 13, East, 937 feet, more or less, to the Northeast corner of the Northwest quarter of the Southeast quarter of said Section 13; thence
6. Along the east line of the Northwest quarter of the Southeast quarter of said Section 13, South, 1320 feet, more or less, to the Southeast corner of the Northwest quarter of the Southeast quarter of said Section 13; thence
7. Along the south line of the north half of the south half of said Section 13, West, 2100 feet, more or less to the east right-of-way line of the Southern Pacific Railroad Company; thence
8. Northerly along said easterly railroad right-of-way line, 10,631 feet, more or less, to the west line of said Section 11; thence
9. Along said west line of Section 11, North, 350 feet, more or less, to the Southwest corner of the north half of the north half of said Section 11; thence
10. Along the south line of the north half of the north half of said Section 11, East, 5280 feet, more or less, to the east line of said Section 11; thence

11. Along said east line of Section 11, North 1320 feet, more or less, to the Point of Beginning.

Containing 834 acres, more or less.

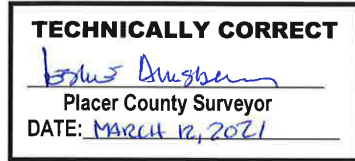
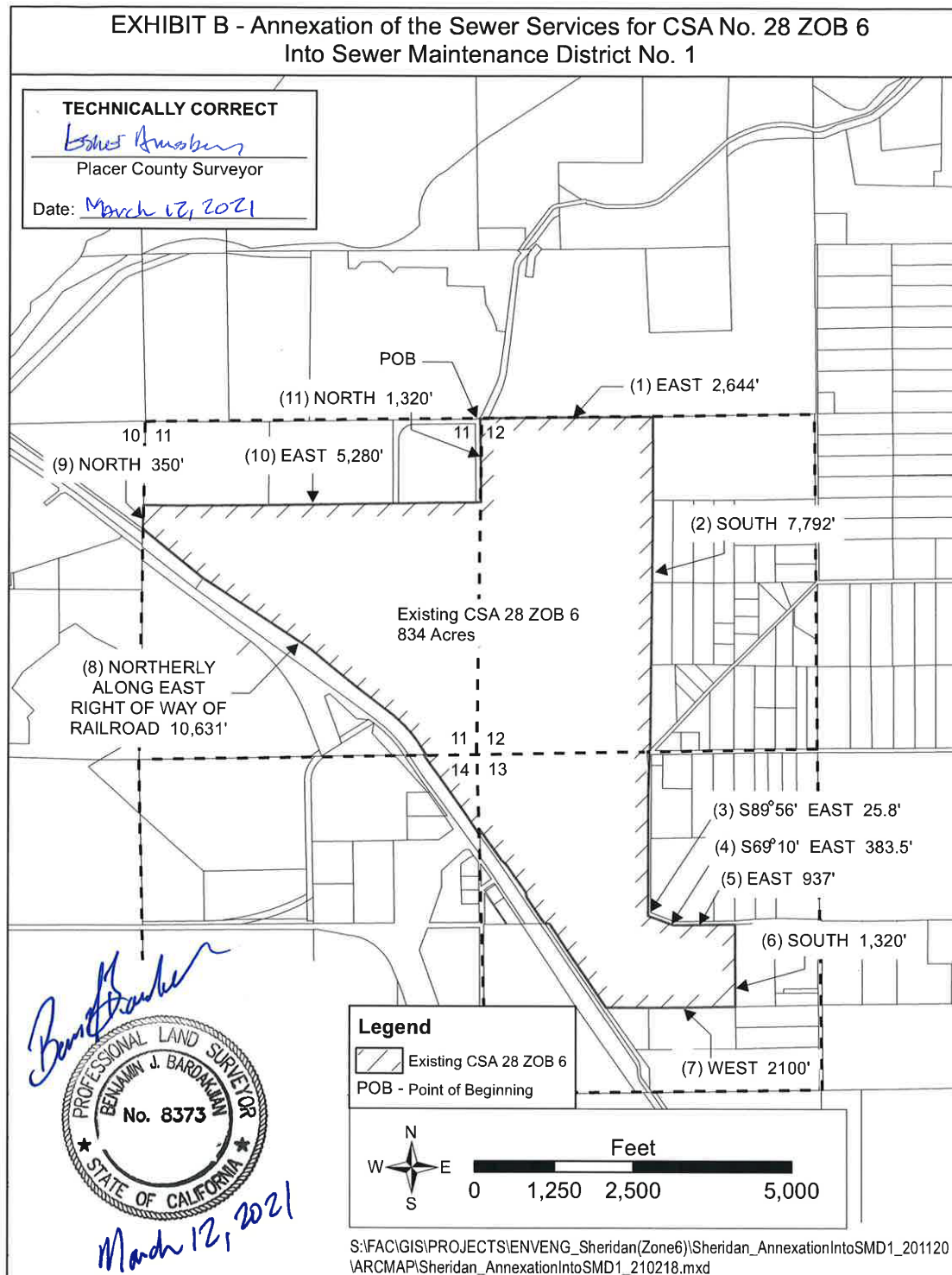


EXHIBIT B



Before the Board of Supervisors County of Placer, State of California

In the matter of: An Ordinance amending Placer
County Code Chapter 13, Article 13.12, Sewer
Service System

Ordinance No.: _____

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer
at a regular meeting held on June 8, 2021, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA,
DOES HEREBY ORDAIN AS FOLLOWS:

Section 1: Subsections (A) and (E) of Section 13.12.350 Fee schedules of
Chapter 13 of the Placer County Code is hereby amended to read as follows:

A. Sewer Maintenance District No. 1. The following schedule of charges and fees shall apply to
property within Placer County sewer maintenance district No. 1 and are based upon a flow rate of one
equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than

one equivalent dwelling unit shall be based upon the schedules set forth in subsections E and F of Section 13.12.240.

<u>Sewer service charge</u>	<u>= \$95.78 per month per EDU.</u>
<u>Base Sewer service charge</u>	<u>= \$62.74 per month per EDU.</u>
<u>Existing Debt Service for Regional Infrastructure</u>	<u>= \$33.04 per month per EDU.</u>
<u>Annexation fee (North Auburn Area)</u>	<u>= \$6,344.00 per acre.</u>
<u>Sewer connection fee (North Auburn Area)</u>	<u>= \$8,970.00 per EDU.</u>
<u>Sewer connection fee (Sheridan Area)</u>	<u>= \$5,549.00 per EDU.</u>

E. County Service Area No. 28, Zone No. 6 (Sheridan-**Water**). The following schedule of charges and fees shall apply to property within county service area No. 28, Zone 6 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsections E and F of Section 13.12.240.

<u>Sewer service charge</u>	
Effective August 1, 2017	= \$93.58 per month per EDU.
Effective July 1, 2018	= \$98.25 per month per EDU.
<u>Sewer connection fee</u>	= \$5,549.00 per EDU.
<u>Water service charge</u>	
Effective August 1, 2017	= \$55.56 per month per EDU.
Effective July 1, 2018	= \$58.34 per month per EDU.
<u>Water connection fee</u>	= \$3,717.00 per EDU.

* * *

Section 2: This ordinance shall take effect and be in full force thirty (30) days after the date of its passage. The Clerk is directed to publish this ordinance, or a summary thereof, within fifteen (15) days in accordance with Government Code Section 25124.

